Depreciation in Rupee Value

207. SHRI MUKHTIAR SINGH MALIK :
SHRIMATI RENUKA CHOWDHURY :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that rupee value has depreciated against major currencies in which India trades during all the three initial years of the Seventh Plan;

(b) if so, what are the reasons therefor;

(c) how far it has affected foreign exchange position of the country; and

(d) what steps Government have taken to meet the situation ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (d). The exchange rate of the rupee is fixed with reference to the exchange rate movement of a suitably weighted basket of currencies, mainly of countries which are India's major trading partners. Thus the exchange rate of rupee vis-a-vis other currencies moves upward or downward depending upon fluctuations in the value of the currencies constituting the basket. The exchange rates of Indian rupee in relation to those of some of the major world currencies during the first 3 years of VII plan period were as follows :—

Rs. per unit of Major Currencies
(Annual Averages)

Currency	Seventh Five Year Plan		
	1985-86	1986-87	1987-88
U.S. Dollar	12.2349	12.7782	12.9658
Pound-Sterling	16.8467	19.0722	22.0872
Yen	0.0562	0.0802	0 0954
D.M.	4.5553	6 2970	7.4004

It is not possible to isolate the impact of exchange rate movements on country's foreign exchange reserves particularly when the level of reserves is influenced by a large number of other contributory factors like trade transactions, capital and other flows and debt repayments, etc.

Writing off of Crop Loans given by Banks

208. SHRIMATI RENUKA CHOWDHURY : Will the Minister of FINANCE be pleased to state :

(a) whether Andhra Pradesh Government has recently approached the Central Government to write off the crop loans given by the nationalised banks to the cotton growers in Guntur, Prakasam and other districts of Andhra Pradesh in view of the failure of cotton crops;

(b) whether the request of the State Government has since been examined by the Central Government; and

(c) if so, what decision has been taken by the Central Government thereon ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). A letter dated 24-2-1988 has been received from the Department of Agriculture of the State Government of Andhra Pradesh indicating, *inter alia*, that the cotton grower-farmers in Prakasam

District want loans given by the banks to be written off or atleast interest to be waived and loans rescheduled. The consistent stand of Government of India and Reserve Bank of India has been that generalised waiver or write off of loans affects the requisite financial discipline of the borrowers and vitiates the recovery climate. Such measures also build up expectations on the part of the borrowers that the loan instalments due for repayment in future could also be similarly waived and consequently their inclination of repay the loans gets weakened. However, Reserve Bank of India has issued detailed guidelines to the banks for providing suitable relief to borrowers in the case of natural calamities or other adverse exigencies resulting in failure of crops. These guidelines, *inter alia*, envisage conversion of short-term loans into medium-term loans, reschedulement of existing term loans, providing fresh crop credit institutions can remit or reschedule credit institutions can remit or reschedule loans on the merits of each case, if such action is warranted according to their commercial judgement.

New Policy on relief and Rehabilitation of Punjab Migrants

209. SHRI PAWAN KUMAR BANSAL: Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether Government have evolved any new policy on relief and rehabilitation of families who have migrated from terrorist-prone areas in Punjab to safer places within the State and outside;

(b) if so, what are the details thereof; and

(c) what is the number of families that have been provided assistance under the new policy since 1st January, 1988?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI P. CHIDAMBARAM): (a) The Government of Punjab has decided that families of the following categories will be given assistance for their resettlement on migration from their villages and towns to any other place in the same district or neighbouring district :—

(i) Families adversely affected in terrorist violence involving deaths, injuries and loss of property.

(ii) Families that have received individual threats to their lives.

(iii) Families leaving villages and towns where major incidents of terrorist violence have taken place.

(iv) Families leaving villages and towns which are prone to terrorist activities.

(b)1. Allowance at the rate of Rs. 500|- per family for transporting household goods etc. from village|town to the place of resettlement.

2. Ex-gratia grant of Rs. 2,000|- to cover initial expenses of resettlement.

3. Bank loan facility in coordination with nationalised banks upto Rs. 25,000/- without security or margin money with subsidy grant at the rate of 20 per cent of the loan amount subject to maximum limit of Rs. 5,000|-.

4. Rental allowance at the rate of Rs. 250|- per month for hiring a house for one year in the first instance, payable in advance for each quarter.

(c) There are about 1780 internal migrant families as reported by the Deputy Commissioners. The scheme came into force with effect from 15th April, 1988.

Tihar jail inmates

210. SHRI S. S. AHLUWALIA: Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether it is a fact that various inmates have been lodged in Tihar Jail, New Delhi without being produced in any court or formal charges framed against them for the last 20 years; if so, what was the number of such inmates as on 31st March, 1988;